

All contracts of sale must include a disclosure form for lead-based paint. All pre-1978 homes receiving assistance from the City's Affordable Housing Assistance Program must be inspected and meet requirements of title 24 of the code of Federal Regulations, Part 35 Subpart K. Many homes built before 1978 contain lead-based paint which can pose serious health hazards.

#### **LEAD-BASED PAINT**

The City of Murfreesboro is committed to the principal of equal opportunity in housing without discrimination based on race, color, religion, sex, handicap, familial status or national origin. Contact the State of Tennessee Human Rights Commission 1-800-669-9777 or the City 890-4660 should you have a concern regarding your rights under the **fair housing laws**.

It is the policy of the City of Murfreesboro to ensure compliance with **Title VI** of the Civil Rights Act of 1964; to the end that no person shall be excluded from participation in or be denied the benefits of, or be subject to, discrimination under any program or activity receiving federal financial assistance from federal agencies on the grounds of race, color, sex, age, disability or national origin.

#### **FAIR HOUSING EQUAL OPPORTUNITY**

The City partners with local agencies and professionals in promoting this program and offers homebuyer information and education in the required counseling seg-

### **Affordable Housing Assistance**

Providing assistance to offset the initial costs of homeownership for low-income and very low-income households this program promotes affordable housing in the City of Murfreesboro.

#### **PURPOSE**

Funds are subject to availability and approval by the City Council. Subsidy for the program is from the Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and other available funds applicable to the program.

#### **FUNDING**

This program is administered in accordance with HUD standards. Policy / Procedures and Guidelines are those applicable to the funding source used for the housing transaction and other applicable City policy. Contact the Community Development Office for additional information.

#### **ADMINISTRATION**

This guide is for reference purposes only. It does not constitute operating procedures in

### *Community Development Department*

#### **PRINCIPLE REDUCTION AND CLOSING COST ASSISTANCE FOR FIRST-TIME HOME BUYERS**

### *Affordable Housing Assistance Program*



T E N N E S S E E

*... creating a better quality of life*

#### **General Program Description**

A second mortgage (**0% interest**) available to qualified first-time homebuyer applicants whose household income meets the requirements for low or very-low income (based on area median income) as provided by HUD. **Subsidy may be used for principal reduction and/or allowable closing costs with Conventional, FHA, VA, THDA loans**

**Community Development Department  
211 Bridge Ave.  
PO Box 1139  
Murfreesboro, TN 37133-1139  
Tel: 615-890-4660**

[www.murfreesborotn.gov](http://www.murfreesborotn.gov)



## Applicants Minimum Requirements

- First-time homebuyer
- Total household income based on family size is not more than 80% of the area median income
- Property purchased must be a single-family dwelling in the city of Murfreesboro meeting City Code Property Maintenance Standards and be within sales price limits established by Tennessee Housing Development Agency (THDA) for its Homeownership Program
- The dwelling may be new construction or existing— \*owner occupied at time of sale, \*occupied by purchaser as tenant at time of sale, \*vacant, previously occupied by a tenant if the sale is not initiated and Contract of Sale is not negotiated prior to dwelling being vacant. Seller must warrant these conditions. **Program funds will not be used when a purchase causes tenant displacement.**
- Maximum qualifying ratios on first mortgage loan— 35/45
- Contribute a minimum cash investment of one-percent of the sales price towards the transaction
- Complete homebuyer counseling / education by certified THDA Trainer as required by the Program guideline
- Sign a Note and Deed of Trust to the City to ensure repayment and compliance with other terms and conditions required
- Call for appointment to complete an application with the city- 890-4660

## SUBSIDY LEVELS & TERMS

### LOW-INCOME HOUSEHOLD

#### **Deferred Loan—No Interest (0%)**

**Subsidy** may be used for principal reduction and/or allowable closing costs associated with the first mortgage loan.

**Maximum subsidy:** \$10,000.00

**Borrower cash investment:** minimum 1% of sales price or appraised value (must be own funds)

**Interest:** No interest (0%)

**Repayment:** No monthly payment required. Payments deferred -100% due upon sale or other transfer of title, if the property becomes vacant or if the owner no longer occupies the home as their principal residence.

### VERY LOW-INCOME HOUSEHOLD

#### **Forgivable/Deferred Loan—No Interest (0%)**

**Subsidy** may be used for principal reduction and/or allowable closing costs associated with the first mortgage loan.

**Maximum subsidy:** \$10,000.00

**Borrower cash investment:** minimum 1% of sales price or appraised value (must be own funds)

**Interest:** No interest (0%)

**Repayment:** No monthly payment required  
50 % of subsidy forgiven at 20% per year during the first five years of occupancy. Remaining 50% due upon sale or other transfer of title, if the property becomes vacant or if the owner no longer occupies the home as their principal residence.

\$ \$ \$

## Income Limits for Affordable Housing Assistance (Indicated by Household Size)

### 1 Person

Very Low	\$22,400
Low	\$35,850

### 2 Persons

Very Low	\$25,600
Low	\$41,000

### 3 Persons

Very Low	\$28,800
Low	\$46,100

### 4 Persons

Very Low	\$32,000
Low	\$51,200

### 5 Persons

Very Low	\$34,600
Low	\$55,300

### 6 Persons

Very Low	\$37,150
Low	\$59,400

### 7 Persons

Very Low	\$39,700
Low	\$63,500

### 8 Persons

Very Low	\$42,250
Low	\$67,600

**Income limits provided by HUD  
( Subject to Change)**